



Executive Committee Agenda

Friday, June 9, 2023

09:00 AM

Welcome to SANDAG. The Executive Committee meeting scheduled for Friday, June 9, 2023, will be held in person in the SANDAG Conference Room # 7. While Executive Committee members will attend in person, members of the public will have the option of participating either in person or virtually.

For public participation via Zoom webinar, click the link to join the meeting: <https://us02web.zoom.us/j/87221723051>

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Public Comments: Members of the public may speak to the Executive Committee on any item at the time the Executive Committee is considering the item. Public speakers are generally limited to three minutes or less per person.

Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerkoftheboard@sandag.org (please reference Executive Committee meeting in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. the business day before the meeting will be provided to members prior to the meeting. All comments received prior to the close of the meeting will be made part of the meeting record.

If you desire to provide in-person verbal comments during the meeting, please fill out a speaker slip, which can be found in the lobby. If you have joined the Zoom meeting by computer or phone, please use the "Raise Hand" function to request to provide public comment. On a computer, the "Raise Hand" feature is on the Zoom toolbar. By phone, enter *9 to "Raise Hand" and *6 to unmute. Requests to provide live public comment must be made at the beginning of the relevant item, and no later than the end of any staff presentation on the item. The Clerk will call on members of the public who have timely requested to provide comment by name for those in person and joining via a computer, and by the last three digits of the phone number of those joining via telephone. Should you wish to display media in conjunction with your comments, please inform the Clerk when called upon. The Clerk will be prepared to have you promoted to a position where you will be able to share your media yourself during your allotted comment time. In-person media sharing must be conducted by joining the Zoom meeting on the personal device where the content resides. Please note that any available chat feature on the Zoom meeting platform should be used by panelists and attendees solely for procedural or other "housekeeping" matters as comments provided via the chat feature will not be retained as part of the meeting record. All comments to be provided for the record must be made in writing via email or speaker slip, or verbally per the instructions above.

In order to keep the public informed in an efficient manner and facilitate public participation, SANDAG provides access to all agenda and meeting materials online at sandag.org/meetings. Additionally, interested persons can sign up for email notifications at sandag.org/subscribe. A physical copy of this agenda may be viewed at the SANDAG Toll Operations Office, 1129 La Media Road, San Diego, CA 92154, at any time prior to the meeting.

To hear the verbatim discussion on any agenda item following the meeting, the [audio/video](#) recording of the meeting is accessible on the SANDAG website.

SANDAG agenda materials can be made available in alternative languages. To make a request, call (619) 699-1900 at least 72 hours in advance of the meeting.

Los materiales de la agenda de SANDAG están disponibles en otros idiomas. Para hacer una solicitud, llame al (619) 699-1900 al menos 72 horas antes de la reunión.

Message from the Clerk: In compliance with Government Code §54952.3, the Clerk hereby announces that the compensation for legislative body members attending the following simultaneous or serial meetings is: Executive Committee (EC) \$100, Board of Directors (BOD) \$150, and Regional Transportation Commission (RTC) \$100. Compensation rates for the EC and BOD are set pursuant to the SANDAG Bylaws, and the compensation rate for the RTC is set pursuant to state law.



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SANDAG operates its programs without regard to race, color, and national origin in compliance with Title VI of the Civil Rights Act. SANDAG has developed procedures for investigating and tracking Title VI complaints, and the procedures for filing a complaint are available to the public upon request. Questions concerning SANDAG nondiscrimination obligations or complaint procedures should be directed to the SANDAG General Counsel, John Kirk, at (619) 699-1997 or john.kirk@sandag.org. Any person who believes they or any specific class of persons to be subjected to discrimination prohibited by Title VI also may file a written complaint with the Federal Transit Administration.



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This meeting will be conducted in English, and simultaneous interpretation will be provided in Spanish. Interpretation in additional languages will be provided upon request to ClerkoftheBoard@sandag.org at least 72 business hours before the meeting.

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Vision Statement: *Pursuing a brighter future for all*

Mission Statement: *We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.*

Our Commitment to Equity: *We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.*

We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. The SANDAG equity action plan will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.

We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.

Executive Committee

Friday, June 9, 2023

Comments and Communications

1. Public Comments/Communications/Member Comments

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Subjects of previous agenda items may not again be addressed under public comment. Committee members also may provide information and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes

Approve

Tessa Lero, SANDAG

The Executive Committee is asked to review and approve the minutes from its May 12, 2023, meeting.

[May 12, 2023, EC Meeting Minutes.pdf](#)

+3. Review of Draft Board Agendas

Approve

Robyn Wapner, SANDAG

+3A. June 23, 2023

+3B. July 14, 2023

[Draft June 23, 2023, BOD Mtg Agenda.pdf](#)

[Draft July 14, 2023, BOD Mtg Agenda.pdf](#)

Reports

+4. Legislative Status Report

Information

*Hannah Stern, Jose Alvarez, and Hector Vanegas, SANDAG,
Kirk Blackburn, Ellison Wilson Advocacy*

Staff will present a report on legislative activities.

[Legislative Status Report.pdf](#)

[Att. 1 - Rpt from Ellison Wilson Adv, LLC.pdf](#)

[Att. 2 - Rpt from Peter Peyser Assoc, LLC.pdf](#)

5. Upcoming Meetings

The next meeting of the Executive Committee is scheduled for Friday, July 14, 2023, at 9 a.m.

6. Adjournment

+ next to an agenda item indicates an attachment

June 9, 2023

May 12, 2023, Meeting Minutes

[View Meeting Video](#)

Chairwoman Nora Vargas (County of San Diego) called the meeting of the Executive Committee to order at 9:12 a.m.

1. Public Comments/Communications/Member Comments

Mary Davis, member of the public, spoke regarding transparency of member attendance at meetings canceled due to lack of quorum.

Timothy Bilash, member of the public, spoke regarding border wall construction at Friendship Park.

Mike Bullock, member of the public, spoke regarding greenhouse gas reduction goals in the scoping plan of the California Air Resources Board.

The Original Draw, member of the public, spoke regarding public comment time for public speakers, and in opposition to investment in electric vehicle infrastructure.

Mayor Rebecca Jones (North County Inland) spoke regarding access to agenda archives on the SANDAG website.

Chairwoman Vargas spoke regarding work with Congressman Vargas' office regarding issues at Friendship Park.

Consent

2. Approval of Meeting Minutes

The Executive Committee was asked to approve the minutes from its April 14, 2023, meeting.

There were no public comments on this item.

3. Review of Draft Board Agendas

The Executive Committee was asked to approve the draft agendas for the May 26, 2023, and June 9, 2023, Board meetings, as amended to postpone Item 9, FY 2022 Audited Annual Comprehensive Financial Report and Other Financial and Compliance Audit Matters, on the May 26, 2023, agenda to a future meeting.

Tim Bilash spoke regarding the audit item that was pulled from the draft May 26, 2023, agenda, and adding an item regarding the term extension for Audit Committee members.

Mary Davis requested that an item for Continued Member Comments be added to the end of Board of Directors meeting agendas.

Action: Upon a motion by Vice Chair Sean Elo-Rivera (City of San Diego), and a second by Second Vice Chair Lesa Heebner (North County Coastal), the Executive Committee voted to approve Consent Items Nos. 2 and 3.

The motion passed.

Yes: Chairwoman Vargas, Vice Chair Elo-Rivera, Second Vice Chair Heebner, Councilmember Andrea Cardenas (South County), Mayor Racquel Vasquez (East County), and Mayor Jones.

No: None.

Abstain: None.

Absent: None.

Reports

4. Waiver of Independent Performance Auditor Employment Term Limit

Audit Committee Chair David Zito presented the item.

There were no public comments on this item.

Chairwoman Vargas directed CPS HR Consulting to return to an upcoming Executive Committee meeting and provide a report on best practices around average term lengths for Independent Auditors.

Action: Upon a motion by Chairwoman Vargas, and a second by Vice Chair Elo-Rivera, the Executive Committee voted to recommend that the Board of Directors approve a waiver of SANDAG Board Policy No. 039, Section 5.1, and establish a three-year initial term of employment for the next Independent Performance Auditor.

The motion passed.

Yes: Chairwoman Vargas, Vice Chair Elo-Rivera, Second Vice Chair Heebner, Councilmember Cardenas, Mayor Vasquez, and Mayor Jones.

No: None.

Abstain: None.

Absent: None.

5. Proposed Final FY 2024 Program Budget

Director of Financial Planning, Budgets, and Grants Susan Huntington and Senior Director of Organization Effectiveness Melissa Coffelt presented the item.

Mike Bullock spoke regarding the scoping plan released by the California Air Resources Board and reduction in driving.

The Original Dra spoke in opposition to the budget.

Action: Upon a motion by Vice Chair Elo-Rivera, and a second by Second Vice Chair Heebner, the Executive Committee voted to recommend that the Board of Directors adopt Regional Transportation Commission (RTC) Resolution No. RTC-2023-05, adopting the Final FY 2024 Program Budget.

The motion passed.

Yes: Chairwoman Vargas, Vice Chair Elo-Rivera, Second Vice Chair Heebner, Councilmember Cardenas, and Mayor Vasquez.

No: Mayor Jones.

Abstain: None.

Absent: None.

6. Legislative Status Report

This item was postponed to a future meeting.

7. Upcoming Meetings

The next meeting of the Executive Committee is scheduled for Friday, June 9, 2023, at 9 a.m.

8. Adjournment

Chairwoman Vargas adjourned the meeting at 10:20 a.m.

DRAFT

Confirmed Attendance at Executive Committee Meeting

Jurisdiction	Name	Member/ Alternate	Attend
City of San Diego	Council President Sean Elo-Rivera, Vice Chair	Primary	Yes
	Councilmember Vivian Moreno	Alternate	No
	Councilmember Marni von Wilpert	Alternate	No
County of San Diego	Chair Nora Vargas, Chair	Primary	Yes
	Supervisor Terra Lawson-Remer	Alternate	No
East County	Mayor Racquel Vasquez	Primary	Yes
	Mayor Mark Arapostathis	Alternate	No
North County Coastal	Mayor Lesa Heebner, 2nd Vice Chair	Primary	Yes
	Councilmember Melanie Burkholder	Alternate	Yes
North County Inland	Mayor Rebecca Jones	Primary	Yes
	Mayor Steve Vaus	Alternate	Yes
South County	Councilmember Andrea Cardenas	Primary	Yes
	Mayor Richard Bailey	Alternate	No

June 9, 2023

Draft June 23, 2023, Board of Directors Meeting Agenda

Item No.		Action
1.	Public Comments/Communications/Member Comments Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to the time limit that will be set by the Chair at the time of the meeting based on factors including the complexity of the agenda and the number of speakers. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Subjects of previous agenda items may not again be addressed under public comments. Board members also may provide information and announcements under this agenda item.	
2.	Chief Executive Officer's Report <i>Hasan Ikhata and Chairwoman Nora Vargas, SANDAG</i> Chairwoman Vargas and Chief Executive Officer Ikhata will present an update on pertinent agency activities.	Discussion
Consent		
+3.	Approval of Meeting Minutes <i>Francesca Webb, SANDAG</i> The Board of Directors is asked to approve the minutes from its June 9, 2023, meeting.	Approve
+4.	Proposed Amendments to Conflict of Interest Code <i>John Kirk, SANDAG</i> The Board of Directors is asked to approve the proposed amendments to the SANDAG Conflict of Interest Code.	Approve
+5.	Approval of Proposed Solicitations and Contract Awards <i>Kelly Mikhail, SANDAG</i> The Board of Directors is asked to review and approve the proposed solicitations and contract awards.	Approve

+6.	FY 2024 Claims for Transportation Development Act and State Transit Assistance <i>Zara Sadeghian, SANDAG</i> The Transportation Committee recommends that the Board of Directors adopt: (1) Resolution Nos. 20XX-XX through 20XX-XX, approving the FY 2024 Transportation Development Act claims and one State Transit Assistance Act (STA) claim; and (2) the STA findings as certified by the North County Transit District.	Adopt
+7.	Policy Advisory Committee Actions <i>Francesca Webb, SANDAG</i> The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees since the last Board meeting.	Approve
+8.	FY 2023 Transportation Development Act Productivity Improvement Recommendations <i>Brian Lane, SANDAG</i> The Transportation Committee recommends that the Board of Directors approve the eligibility of the Metropolitan Transit System and North County Transit District to receive their FY 2023 allocations of Transportation Development Act funds.	Approve
+9.	Annual Public Transit Report <i>Zaccary Bradt, SANDAG</i> The Transportation Committee recommends that the Board of Directors approve the submission of the Annual Public Transit Report to the State Legislature.	Approve
+10.	Office of the Independent Performance Auditor - Proposed FY 2024 Audit Plan <i>Mary Khoshmashrab, Office of the Independent Performance Auditor</i> The Audit Committee recommends that the Board of Directors approve the FY 2024 Annual Audit Plan.	Approve
+11.	Chief Executive Officer Delegated Actions* <i>Kim Monasi, SANDAG</i> In accordance with various SANDAG Board Policies, this report summarizes certain delegated actions taken by the Chief Executive Officer since the last Board meeting.	Information
+12.	FY 2022 Audited Annual Comprehensive Financial Report and Other Financial and Compliance Audit <i>Leeanne Wallace, SANDAG</i>	Information

In accordance with SANDAG Bylaws, this report presents the FY 2022 Annual Comprehensive Financial Report and other matters in compliance with the statement of Auditing Standards 114.

+13.	Meetings and Events Attended on Behalf of SANDAG <i>Francesca Webb, SANDAG</i>	Information
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This report summarizes meetings and events attended by Board members on behalf of SANDAG.

+14.	Quarterly Finance Report and Update on Financial Markets* <i>Andre Douzdzian and Ray Major, SANDAG</i>	Information
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This quarterly report provides various finance-related items to the Board of Directors, including: (1) a quarterly report of investments, including all money under the direction or care of SANDAG; (2) an update on the SANDAG debt portfolio; and (3) information about the latest developments in the financial markets, the economy, and sales tax revenues.

+15.	Quarterly Progress Report on SANDAG's Capital Program <i>Michelle Smith, SANDAG</i>	Information
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This quarterly report provides an update on the status of the projects that make up SANDAG's Capital Program.

Reports

+16.	Amendment to 2021 Regional Plan <i>Keith Greer, SANDAG</i>	Conduct Public Hearing
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Staff will present information on the proposed Amendment, and the Board will conduct a public hearing to receive public comment on the Amendment to the 2021 Regional Plan.

+17.	Otay Mesa East Port of Entry Project Update <i>Mario Orso Delgado, Caltrans</i>	Information
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Staff will present an update on the Otay Mesa East Port of Entry project.

+18.	Closed Session: Conference with Property Negotiators Pursuant to Government Code Section 54956.8 <i>Sharon Humphreys and Annie Smiddy, SANDAG</i> <i>Matt Carlson and Hunter Rowe, CBRE</i>	
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The Board of Directors will be briefed on the status of the negotiation of the sale of real property located at 5965 & 5975 Santa Fe Street, San Diego CA (Assessor Parcel Numbers 359-010-40 and 359-010-41) with interested affordable housing developers under the Surplus Land Act.

19.	Upcoming Meetings	
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The next Board of Directors meeting is scheduled for Friday, July 14, 2023,
at 10 a.m.

20. Adjournment

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item

June 9, 2023

Draft July 14, 2023, Board of Directors Meeting Agenda

Item No.		Action
1.	Public Comments/Communications/Member Comments Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to the time limit that will be set by the Chair at the time of the meeting based on factors including the complexity of the agenda and the number of speakers. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Subjects of previous agenda items may not again be addressed under public comments. Board members also may provide information and announcements under this agenda item.	
2.	Chief Executive Officer's Report <i>Hasan Ikhata and Chairwoman Nora Vargas, SANDAG</i> Chairwoman Vargas and Chief Executive Officer Ikhata will present an update on pertinent agency activities.	Discussion
Consent		
+3.	Approval of Meeting Minutes <i>Francesca Webb, SANDAG</i> The Board of Directors is asked to approve the minutes from its June 23, 2023, meeting.	Approve
+4.	Meetings and Events Attended on Behalf of SANDAG <i>Francesca Webb, SANDAG</i> This report summarizes meetings and events attended by Board members on behalf of SANDAG.	Information
+5.	Policy Advisory Committee Actions <i>Francesca Webb, SANDAG</i> The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees since the last Board meeting.	Approve

+6.	Chief Executive Officer Delegated Actions* <i>Kim Monasi, SANDAG</i>	Information
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In accordance with various SANDAG Board Policies, this report summarizes certain delegated actions taken by the Chief Executive Officer since the last Board meeting.

Reports

+7.	2025 Regional Plan: Funding <i>Susan Huntington, SANDAG</i>	Discussion
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The Board of Directors will participate in a workshop to help inform development of the 2025 Regional Plan, including an overview of state and federal requirements, traditional and new funding sources, and best practices from MPOs across the country.

8. Upcoming Meetings

The next Board of Directors meeting is scheduled for Friday, July 28, 2023, at 9 a.m.

9. Adjournment

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item

June 9, 2023

Legislative Status Report

Overview

Status reports on SANDAG legislative activities are provided to the Executive Committee on a regular basis.

Attachment 1 includes a summary from Ellison Wilson, LLC on state legislative activity related to SANDAG for May 2023.

Attachment 2 includes a summary from Peyser Associates, LLC on federal legislative activity related to SANDAG for May 2023.

Action: Information

Staff will present a report on legislative activities.

Fiscal Impact: None**Schedule/Scope Impact:** None***Robyn Wapner, Director of Public Affairs***

Key Staff Contacts: Hannah Stern, (619) 925-0127, hannah.stern@sandag.org
Jose A. Alvarez, (619) 361-2803, jose.alvarez@sandag.org
Hector Vanegas, (619) 699-1972, hector.vanegas@sandag.org

Attachments: 1. Report from Ellison Wilson Advocacy, LLC
2. Report from Peter Peyser Associates, LLC



TO: SANDAG BOARD OF DIRECTORS
FROM: ELLISON WILSON ADVOCACY, LLC
SUBJECT: SANDAG LEGISLATIVE REPORT – MAY 2023

Legislative Overview

The last day for fiscal committees to hear first house bills was May 19th. June 2nd is the last day for each house to pass bills introduced in that house.

SANDAG-Sponsored Otay Mesa East Port of Entry Legislation Advances to the Senate

At the request of SANDAG, Assembly Member David Alvarez introduced Assembly Bill 427 to update the Otay Mesa East Port of Entry Act to streamline contracting methods in order to move the critical Otay Mesa East Project forward in a timely manner. Specifically, AB 427 would clarify that SANDAG can use the Construction Manager/General Contractor (CMGC) contracting method on the SR11/Otay Mesa East Port of Entry Project (POE). AB 427 was unanimously passed by the Assembly Transportation Committee on March 20th, unanimously passed by the Assembly Appropriations Committee on May 3rd, and unanimously passed off the Assembly Floor on May 11th. The bill is scheduled to be heard next by the Senate Transportation Committee on June 13th.

SANDAG Testifies at Senate Transportation Subcommittee on LOSSAN Rail Corridor Resiliency Hearing

On May 16th, the newly formed Senate Transportation Subcommittee on LOSSAN Rail Corridor Resiliency, chaired by Senator Catherine Blakespear, held its inaugural informational hearing entitled “Setting the Stage for a Resilient Rail Future.” SANDAG’s Deputy CEO Ray Major and Rail Planning Program Manager Danny Veeh provided the Subcommittee with a thorough overview on the LOSSAN corridor’s importance to the San Diego Region, SANDAG’s role and plans, as well as an update on the region’s vulnerable coastal bluffs. The Subcommittee also heard from panelists Jason Jewell – Managing Director of LOSSAN and Darrell Johnson – CEO of the Orange County Transportation Authority, as well as testimony from the public. The Subcommittee will be holding future hearings later this year.

State Transit Funding Update

On January 10th, Governor Newsom kicked off the state’s annual budget process by releasing his proposed state budget for the 2023-24 fiscal year. Of critical note, the Governor’s budget forecasted that California faces an estimated budget gap of \$22.5 billion in the 2023-24 fiscal year. As such, the Governor included a \$2 billion reduction in Transit Intercity Rail Capital Program (TIRCP) funds, a net \$200 million reduction in funds from the Active Transportation Program, and a \$350 million delay in funds for grade separations projects. Further, the Governor’s proposed budget was silent on the operations funding crisis faced by

transit agencies and the need for additional state funding to support ridership retention and recovery strategies.

Throughout March, the respective budget subcommittees in each house held hearings to discuss these proposed reductions and delays to key transportation funding programs. SANDAG, alongside the California Transit Association and other transit and transportation agencies, testified urging the subcommittees to maintain funding for the TIRCP at the current levels and underscoring the importance of providing funding for transit operations.

On May 12th, the Governor released the May Revise of his budget proposal, which maintained the proposed cuts to the TIRCP contained in his January proposal, but included the following commitment regarding transit operations funding:

While the state's transit agencies have benefitted from large infusions of capital dollars, both state and federal, post-pandemic ridership trends have resulted in significant operating challenges for many of the state's transit agencies, particularly as federal relief dollars begin to run out. The Administration welcomes discussion with the Legislature on potential near- and long-term solutions to support the viability of transit across the state.

Both the Senate and Assembly subsequently released their transit budget proposals to reject the Governor's approach, and instead restore the TIRCP funding levels contained in the 2022 Budget with additional flexibility in the TIRCP funds for transit agencies to address their fiscal cliffs, contingent on meeting specific accountability and reform requirements. Further, their plans contained additional statutory relief for transit operators, including: 1) expanding provisions that temporarily hold harmless transit operators that receive state funding and whose ridership levels have been negatively impacted by COVID-19; 2) extending the provisions that temporarily eliminate financial penalties for noncompliance with transit funding efficiency measures in the Transportation Development Act and the State Transit Assistance Program; 3) expanding provisions that allow for increased flexibility in the use of funds transit operators receive from the State Transit Assistance - State of Good Repair program and the Low Carbon Transit Operations program; and 4) creating a Task Force to examine ways to improve transit and increase ridership in the long term, including reforming the Transportation Development Act.

While the Legislature's approach was well-received, transit advocates continue to seek additional state funding to avoid future service reductions from a variety of additional sources, including from revenue from sales tax on diesel fuel, unallocated Cap and Trade revenue, and the General Fund.

Negotiations between the Governor, Legislature, and stakeholders will continue throughout the coming month. The Legislature must pass the final 2023-24 state budget and send it to the Governor by June 15th for his action by July 1st.

Governor Releases Infrastructure Project Streamlining Proposal

On May 19th, Governor Newsom released further information on his proposal to streamline infrastructure projects, including signing Executive Order (N-8-23) to form an Infrastructure Strike Team "to work across State agencies to maximize federal and state funding opportunities for California innovation and infrastructure projects," as well as language for several budget trailer bills to accomplish the following concepts:

- CEQA Administrative Record: This proposal clarifies and streamlines procedures related to the preparation of the public record for the judicial review of level challenges brought under CEQA in order to reduce the litigation time.

- **CEQA Judicial Streamlining:** The proposed trailer bill language would provide for expedited judicial review of challenges (“...within 270 days...”) to certain water, transportation, clean energy, and semiconductor or microelectronic projects under the California Environmental Quality Act. Specifically, “Up to 20 projects—10 state projects and 10 local projects—that support the California State Transportation Agency’s Climate Action Plan for Transportation Infrastructure Framework may also be eligible, provided they are certified by the State Transportation Agency as an eligible project. This would accelerate critical state and local infrastructure projects that advance safety, rehabilitate the state’s aging transportation infrastructure, or address the impacts of climate change.”
- **Accelerating Environmental Mitigation for Transportation:** This language would streamline the implementation of environmental mitigation measures for the efficient delivery of the California Department of Transportation’s projects.
- **NEPA Assignment for Rail Projects:** This proposal removes the current sunset provision and permanently authorizes the consent of California to the jurisdiction of federal courts and waiver of immunity by the California Transportation Agency with regards to the performance of certain federal environmental responsibilities under the National Environmental Policy Act (NEPA).
- **Progressive Design Build Authority – Department of Water Resources and Caltrans:** This language would allow the Department of Water Resources (DWR) and Caltrans to establish a progressive design-build pilot program until 1/1/2031 (up to 8 projects per department).

Assembly Bill 610 - Student Transit Pass Pilot Program: free student transit passes

This SANDAG supported legislation introduced by Assemblymember Holden was removed off the suspense file through a successful 11-0 vote in the Assembly Appropriations Committee on May 22nd. The author accepted committee amendments to the bill for any future program funds to be allocated regionally based on students within a county. The bill has been coauthored by local Assemblymember Boerner and Senator Blakespear, and is pending an Assembly floor vote before moving on to the Senate. The Assembly has until June 2nd to pass this bill through a floor vote.

Senate Bill 825 - Local government: public broadband services

SANDAG supported SB 825 by Senator Limon, which would include metropolitan planning organizations (MPO) and a regional transportation planning agency (RTPA) to the definition of “local agency” for purposes of eligibility for the LATA grant program, has been referred to the Assembly Committee on Local Government after a consent vote in the Senate Floor on April 20th.

Peter A. Peyser

May 5, 2023

Transportation Update from Peyser Associates

Debt Limit Talks Slated for Next Week as Legislative Maneuvering Ramps Up

This week's statement from Treasury Secretary Janet Yellen that the federal debt limit may be reached as early as June 1 has ramped up the pressure on the White House and congressional leaders to reach a deal on how to avoid a default. But while talks have been scheduled aimed at coming to agreement, some in Congress are already putting in place mechanisms to force a vote on a debt limit increase in the absence of an agreement.

Yellen's announcement prompted the White House to invite all four congressional leaders to a meeting next Tuesday, May 9th, to search for a path forward. While all four Members of the bipartisan congressional leadership will attend, Senate Minority Leader Mitch McConnell continues his stance that any deal must be reached between President Biden and House Speaker Kevin McCarthy (R-CA). The hopes for an agreement between Biden and McCarthy are no better this week than last. Both of them continue to dig in on their respective positions – Biden insisting that he will not negotiate over any link between the debt limit increase and spending cuts and McCarthy insisting that the link is essential. The expectations for Tuesday's meeting are therefore very low.

Senate Majority Leader Chuck Schumer (D-NY) is already laying the procedural groundwork to force a vote on a clean debt limit extension. This telegraphs that his expectation – even hope – is that Tuesday's meeting will convince McConnell that he needs to step in and help find sufficient GOP votes to reach the 60-vote threshold for Senate approval.

Meanwhile, House Democrats have put in motion the process for circulating a discharge petition that would force a House vote on a debt limit increase if 218 House Members sign it. Under House Rules, the earliest the petition can begin circulating is May 18. Between now and then House Democrats will be hunting for five GOP Members who would break with their leadership to sign the petition and face the measure to the floor. Discharge petitions are rarely a successful path to enactment of legislation. The last time one was used successfully was in 2002. But if a petition gained sufficient signatures, it could force Speaker McCarthy to bring to the floor some form of debt limit increase.

While top leaders on the Democratic side are looking for a debt limit extension sufficient to get past the next election, some Democratic Members are already talking about a short-term extension to buy more time for a deal. The Ranking Minority Member of the House Budget Committee, Rep. Brian Boyle (D-PA) this week said he would support such a move. Boyle's statement appeared to abet the efforts by some House GOP Members to compromise on a debt limit increase until September 30. They want that date in order to keep the pressure on to link a longer term extension to spending cuts they would like to enact by the October 1 start of the new fiscal year.

Senate Appropriators Prepare to Mark-up Fiscal 2024 Bills

In a show of the Senate's resolve to conduct business as usual on appropriations bills, Senate Appropriations Committee Chair Patty Murray (D-WA) this week announced committee consideration of individual fiscal 2024 spending bills will begin during the week of May 15. She and Ranking Member Susan Collins (R-CA) appear to be making progress in reaching agreement on top-line spending amounts. The schedule for individual measures, including the Transportation-HUD appropriations bill, has not been announced.

No schedule has been announced on the House side.

May 12, 2023

Transportation Update from Peyser Associates

Debt Ceiling and Spending Discussions Underway: Are they Linked or Just a Coincidence?

On the surface, Tuesday's meeting between President Biden, Speaker McCarthy (R-CA) and other congressional leaders started and ended with the two main protagonists sticking to their guns – Biden saying he would not negotiate over spending cuts as a price for getting a debt limit increase and McCarthy insisting that discussions on the debt ceiling and spending be linked. The only progress that appeared to come from the meeting was a promise to meet again today and have staffs talk in the meantime.

By the end of yesterday, it became clear that discussions were underway at the staff level over the length of time to be covered by a debt limit ceiling. The White House official position on that is that it should be long enough to get through next year's election. The GOP prefers an extension that would expire next May or even sooner. It also became clear yesterday, based on statements to the media from participants in the discussions, that staff members are talking about potentially clawing back some unspent Covid aid, approving a one or two-year spending cap, and including energy project permitting reform in a budget package.

Did the president cave in and start negotiating a spending deal to get the debt limit increase? Not according to White House Spokesperson Karine Jean-Pierre, who said that having discussions over spending levels at this time of year is part of the "regular order" of the annual budget process. Apparently, we are to believe that the discussions over these two topics – which are being conducted simultaneously by the same people – are not connected except by a coincidence of timing.

It is not uncommon in Washington (or elsewhere) for parties in a dispute to reach resolution in part because each can maintain at least a fig leaf of credibility around the idea that they stuck by their principles while, in fact, departing from them substantially. While the President's fig leaf is the claim that the debt limit and spending deals are separate, the Speaker's is that a one or two-year spending cap could be sufficient when his Members voted last week for a 10-year cap.

In recognition of the "progress" being made in these discussions, the White House and the Speaker yesterday announced that the next meeting between principals has been postponed until next week – presumably to give staff members more time to try to hammer out the outlines of a deal.

Media reports over the past two days indicate some rumblings among Democratic and Republican Members of the House and Senate about the tenor of the negotiations. Speaker McCarthy, in particular, may face severe obstacles in bringing his caucus along on any deal that might be negotiated. The situation may produce echoes of 2011, when Speaker John Boehner (R-OH) engaged in negotiations with then-Vice President Joe Biden over a debt limit-spending deal and then had to pull back from a “grand bargain” when his caucus balked. The result was a scaled-back deal. If that happens on the House side now, it remains to be seen if the Senate will be able to find the votes to pass something and force the House’s hand.

The fact that negotiations are underway does indeed represent progress – the parties are closer to a deal now than they were a week ago. With the threat of a default looming as early as June 1, that progress will need to continue and accelerate in the week ahead.

Appropriations Process Stalls While Talks over Debt Limit and Spending Continue

Senate Appropriations Committee Chair Patty Murray (D-WA) and Ranking Member Susan Collins (R-ME) said last week that committee work on fiscal 2024 spending bills would begin on May 18. But this week it appeared that they hit the “pause” button on that schedule given that spending cap talks are now actively underway between the White House and congressional leaders. Collins talked to reporters on Thursday and indicated she wanted to see how the negotiations were going before locking in on a schedule. Several appropriations subcommittee chairs said they did not see enough progress on a top-line spending agreement to produce allocations to their subcommittees in time for early mark-ups. As the week comes to a close, committee action next week looks unlikely.

Over on the House side, some senior appropriators are preparing to unveil draft spending bills next week. In particular, they plan to release a Military Construction/Veterans Affairs measure that will propose an increase in spending for that bill. The release of that bill would be a signal that the House GOP is planning to proceed with a plan to increase spending for veterans, defense and border security while cutting deeply other domestic discretionary spending to meet their overall spending targets. Other senior appropriators said they don’t have enough guidance on spending allocations for their subcommittees to prepare a draft bill. In sum, the House does not appear ready to begin in earnest committee work on spending bills for the coming fiscal year.

FTA Awards Funding for Rail Vehicle Replacement

After this report went out last Friday, the FTA announced awards under the Rail Vehicle Replacement Program created by the Bipartisan Infrastructure Law. In the first round of funding under the program, FTA awarded \$703 million to six transit agencies to procure new rail cars to replace cars in their fleets that had reached or exceeded their useful life.

Awards went to the following transit agencies: Bi-State Development Authority (St. Louis), Chicago Transit Authority, Greater Cleveland Regional Transit Authority, Sacramento Regional Transit Authority, South Florida Regional Transit Authority and Utah Transit Authority.

DOT Releases Tools to Assist in Justice 40 Implementation

Also last Friday, the DOT launched its Equitable Transportation Community (ETC) Explorer, a set of tools designed to assist grantees in meeting the goals of the Administration Justice 40 initiative. The Justice 40 initiative flows from a Biden Executive Order directing federal agencies to ensure at least 40% investments to address climate change are targeted on disadvantaged communities.

The ETC Explorer is an interactive web application that uses census data to demonstrate the burden place on communities by underinvestment in transportation or investment in transportation facilities that harmed those communities.

May 19, 2023

Transportation Update from Peyser Associates

Optimism Takes Hold for Debt Limit/ Spending Deal

While the White House continues to say the ongoing negotiations over spending caps and policy changes are not related to the push for an increase in the national debt limit, the key parties in the negotiations – connected or not – are expressing optimism about the prospects for a deal in the next few days.

Before departing for the G7 Summit in Japan, President Biden said he was “confident” a deal can be worked out and passed before June 1. For his part, Speaker Kevin McCarthy (R-CA) said Thursday he believes a bill or bills containing the agreement will be on the House floor next week. Senate Majority Leader Chuck Schumer (D-NY) echoed the optimism and said the Senate would take up the agreement as soon as the House passes it.

The shift in tone from last week occurred after a Tuesday meeting this week that did not at first seem to yield much progress. The key to the progress that occurred after the meeting was the President’s designation of two top aides to negotiate with the House GOP. Biden sent OMB Director Shalanda Young and Counselor to the President Steve Ricchetti to the negotiating table on his behalf. Ms. Young is a long-time veteran of budget wars and Mr. Ricchetti, who has served under three Democratic Presidents, is an accomplished legislative deal maker. Within 48 hours, they and their GOP counterparts appeared to have made sufficient progress in the negotiations to yield the newfound optimism.

The contours of the emerging deal on spending and policy appear to be much the same as outlined in this report last week. Negotiators are discussing a spending cap of much shorter duration than the 10-year cap approved by the House, adding new work requirements to the SNAP food assistance program, easing permitting requirements on energy projects and clawing back certain unspent COVID response funds.

McCarthy indicated he thinks a deal could be announced as early as Sunday – allowing him time to get it on the House floor by mid-week.

Optimism on Debt Limit and Spending Deal(s) Re-Energizes Appropriations Process

After hitting the “pause” button last week on committee action on fiscal 2024 spending bills, House and Senate Appropriators this week accelerated the steps towards enactment of appropriations bills.

On the House side, the Committee on Appropriations released four appropriations bills and began subcommittee action on them. The Military Construction/VA, Homeland Security, Agriculture and Legislative Branch measures were all released by the committee. All four were marked-up in subcommittee on Wednesday and Thursday.

The “MilCon”/VA bill – as advertised – included an increase for Veterans’ Benefits. The Homeland Security bill – also as predicted – would increase funding for the Department with a focus on border security (including construction of a border wall), but would cut funding for programs the committee says encourage illegal immigration, such as those to support families arriving in America. The USDA measure would cut funding by about 2% - or \$532 million – and also rescinds \$8 billion of unspent funds from previous years.

Taken together, these bills demonstrate that the House leadership plans to make good on its promise to increase spending on border security, veterans and defense while cutting other domestic discretionary spending. While the budget passed by the House recently would call for deep cuts in those unprotected programs, the spending deal under discussion now would likely mitigate those cuts substantially.

Over on the Senate side, Appropriations Committee Chair Patty Murray (D-WA) and Ranking Member Susan Collins (R-ME) said in a joint statement this week that they would begin committee work on spending bills next month.

Deadline Extended for Applying for EV Charging Infrastructure Funds

The Federal Highway Administration on Monday announced they are extending the application deadline for the Charging and Fueling Infrastructure discretionary grant program (CFI) to June 13th from the original date of May 30th.

May 26, 2023

Transportation Update from Peyser Associates

Debt Limit and Spending Deal in Sight

As this is written on Friday morning, White House and House negotiators appear to be close to a deal to lift the national debt limit and enact spending caps and policy changes. A vote in the House could occur as early as Tuesday, leaving time for the Senate to act before the soft June 1 deadline.

While negotiators are hewing to the usual policy that “nothing is agreed to until everything is agreed to,” the contours of the deal are leaking out. Here are its major tenets:

- The debt limit would be suspended for two years – long enough to get past the 2024 election. This has been the White House position through the negotiations.
- Spending caps will be in place for two years – fiscal 2024 and 2025. The House passed a 10-year spending cap.
- The spending caps will allow for an increase in defense spending along the lines of President Biden’s budget proposal and would also allow veterans benefits to increase as well. Other domestic discretionary spending would be frozen at previous levels for fiscal 2024 and would increase by 1% in fiscal 2025. These caps track with GOP demands to allow defense and veterans benefits to increase, but do not track with the deep cuts they sought in other spending.
- The deal would cut \$10 billion – or about 12% -- from the IRS enforcement budget proposed by the President based on the \$70 billion increase authorized in last year’s

Inflation Reduction Act. The GOP had sought to eliminate the entire \$70 billion increase.

- The deal would include provisions to ease permitting rules for certain energy projects. These provisions have enjoyed bipartisan support.

For transportation programs, this deal means two years of essentially level spending. This means that by the end of the caps, four of the five years of the Bipartisan Infrastructure Law will have passed without transit rail programs getting significant benefit from the increased authorization levels included in that bill. Thankfully, the robust advance appropriations in that measure remain in place and were untouched by this agreement.

Reports so far do not mention a clawback of unspent Covid response funding. That had been reported earlier as being agreed to, so it may yet show up in the final deal. There has also been no recent mention of new work requirements in the SNAP food assistance program. The White House signaled potential support for such a provision last week but blowback from House Democrats may have been successful in stiffening the Administration's resolve to block it. Since the deal is not final as of now, the work requirements cannot be regarded as dead just yet.

If enacted into law, this deal would give both sides enough fig leaves to say they achieved a lot of their goals. The House GOP got spending cuts (at least accounting for inflation) in exchange for a debt limit increase. They also ensured spending can increase for two of their top priorities – defense and veterans. They had to give up on increases for border security, it appears. The White House got the two-year debt limit increase they sought and protected domestic discretionary spending from significant cuts.

While this emerging deal would give Speaker Kevin McCarthy (R-CA) some “wins” to sell back to his caucus, it is not clear that more than half the GOP caucus will vote for it. A key question is whether he will bring it to the floor if he is not assured of that support from a majority of his caucus. Passing something that does not enjoy that level of support could well trigger a vote on continuing his Speakership. It takes just one Member offering a motion to vacate the Chair to trigger that vote. There is likely to be a lot of drama on the House floor if and when this deal comes up.

Over on the Senate side, it appears the measure would have the votes required to pass, but the sailing may not be entirely smooth. Senator Mike Lee (R-UT) on Wednesday said he would object to bringing a deal up for a vote under unanimous consent unless it contained significant spending cuts along the lines approved by the House a few weeks ago. If he follows through on that threat, the Senate would still likely have the votes required to shut off debate, but the process could well extend past June 1.

In any event, stay tuned as today unfolds. It is going to be a busy next week in Washington.

Impending Deal Causes Another Pause in the Appropriations Process

After starting committee action last week on four appropriations bills for fiscal 2024, the House Appropriations Committee this week canceled full committee mark-ups of those measure due to the apparent progress towards a spending cap deal that would render the subcommittee approved bills moot. The robust spending increases in their draft Military Construction/VA and Homeland Security bill and the deep cuts in their Agriculture-FDA bill are all outside the parameters of the reported deal.

The pending bills will need to be re-drafted to conform to the final deal, so it looks like committee consideration would be pushed until at least the week of June 5, if not later. This does not rule out the potential for the House to complete action on all 12 spending bills by their July 4th target, but it makes it much more difficult.

On the Senate side, leaders last week already announced a pause in their process to await a deal, so they are likely now to be on about the same schedule as the House. Given Senate procedure, there is virtually no chance of getting all 12 spending bills done by July 4. But completing them in time for the August recess still appears to be possible.